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United Nations common system

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2000

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

Pursuant to rule 153 of the rules of procedure of the General Assembly, the present statement is submitted detailing the administrative and financial implications of the decisions and recommendations of the International Civil Service Commission on the common system, in particular their implications for the programme budget of the United Nations for the biennium 2000-2001. Recommendations and decisions of the Commission giving rise to requirements under the regular budget for the current biennium will be taken into consideration when computing the first performance report for the biennium 2000-2001.

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I. Introduction

1. The twenty-sixth annual report of the International Civil Service Commission (ICSC)[1] contains a number of decisions and recommendations with financial implications for the regular budget for the biennium 2000-2001 related to the following issues (the numbers in parentheses refer to the paragraphs in that report):

(a) Conditions of service of staff in the Professional and higher categories:

(i) Base/floor salary scale and staff assessment scale (paras. 121-124);

(ii) Dependency allowances (paras. 133-135);

(b) Conditions of service applicable to the General Service and related categories: survey of best prevailing conditions of employment for the General Service and related categories in New York (paras. 163-165);

(c) Conditions of service applicable to both categories of staff: level of the education grant (paras. 93-96).

II. Conditions of service of staff in the Professional and higher categories

A. Base/floor salary scale

2. The General Assembly, in section I.H of its resolution 44/198 of 21 December 1989, established a floor net salary scale for staff in the Professional and higher categories by reference to the corresponding net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America). The base/floor salary scale was part of an integrated package of measures in which negative classes of post adjustment were eliminated. The base/floor scale is used in calculating payments under the mobility and hardship scheme as well as separation payments.[2] Adjustments to this scale have been made, since 1990, on 1 March of every year from 1991 to 1995 and from 1998 to 2000, and on 1 January 1997.

3. The General Schedule salary scale for the United States federal civil service in Washington, D.C., the current comparator, was increased by 4.94 per cent on a gross basis, effective 1 January 2000. This amount, combined with the effect of tax changes, resulted in a net increase of 5.1 per cent for the comparator officials at the GS-13/14 levels, the reference point for comparisons between the General Schedule and the common system base/floor scale. In accordance with the approved procedures and past practice, this would call for an upward adjustment of the common system salary scale by 5.1 per cent. On that basis, the Commission, in its annual report for 2000, decided to recommend to the General Assembly an upward adjustment of 5.1 per cent for the common system scale, which should be implemented with effect from 1 March 2001. The increase of 5.1 per cent in the base/floor scale for 2001 would be implemented through the standard method of consolidating (reducing) post adjustment multiplier points on a no-loss/no-gain basis to offset the increase in the base salary scale.

4. The financial implications of the above-mentioned adjustment of the base/floor scale for the United Nations common system have been calculated by ICSC as follows:

(a) For duty stations that would fall below the level of the new base/floor: $616,842;

(b) In respect of the mobility/hardship allowance: $3,485,784;

(c) In respect of the scale of separation payments: $805,310.

5. The total annual financial implications for the United Nations common system have been estimated by the Commission at $4,907,476.

6. The annual financial implications of the Commission's recommendations for the United Nations regular budget have been estimated at $1,325,143.

7. If the base/floor salary scale is adjusted on 1 March 2001, the financial implications for the United Nations regular budget for a 10-month period (1 March 2001 to 31 December 2001) have been estimated at $1,104,286.

B. Staff assessment scale to be used in conjunction with base/floor salaries

8. In the context of the revised base/floor scale, the Commission noted that the issue of the adjustment of the staff assessment rates to address imbalances in the Tax Equalization Fund had been discussed with the United Nations Secretariat and that no adjustment had been requested at this time. Accordingly, no change in the rates of staff assessment would be required in 2001.

C. Dependency allowances

9. The General Assembly, in its resolution 47/216 of 23 December 1992, noted the Commission's conclusion in its annual report for 1992 that the existing methodology for determining the level of dependency allowances for the Professional and higher categories should be maintained and that the dependency allowances should be calculated on the basis of tax abatements and social security payments in the countries of the seven headquarters duty stations,[3] and also noted that the level of dependency allowances would be reviewed every two years to ensure that all relevant changes in the tax and social legislation for the seven headquarters duty stations were taken into consideration.

10. Based on the approved methodology, the Commission recommended an increase in the level of dependency allowances by 11.89 per cent as a result of an increase in payments owing to tax abatements and social legislation payments between January 1998 and January 2000. Application of this percentage increase to the existing children's allowance would result in annual amounts of $1,936 for the children's allowance and $3,872 for the disabled children's allowance.

11. With regard to the secondary dependant's allowance, the Commission recommended the application of the procedure applicable to the children's allowance. The application of the same percentage increase to the secondary dependants' allowance would result in an annual amount of $693 for duty stations in

the United States and in countries where dependency allowances were fixed in United States dollars.

12. The Commission also decided to recommend to the General Assembly that: (a) the current level of children's (including disabled children) and secondary dependants' allowances be increased, effective 1 January 2001; (b) the current list of duty stations where the allowances are payable in local currencies be maintained and that the applicable local currency amounts of the children's and secondary dependants' allowances at those duty stations be increased by 11.89 per cent; and (c) the dependency allowance be reduced by the amount of any direct payments received by staff from Governments in respect of dependants.

13. The financial implications for the United Nations common system with regard to the recommendations of the Commission in respect of the level of children's and secondary dependants' allowances were estimated at $2,800,000 per annum. The financial implications for the regular budget of the United Nations would be $756,000, which would be taken into account in the first performance report for the biennium 2000-2001.

III. Conditions of service applicable to the General Service and related categories: survey of best prevailing conditions of employment for the General Service and related categories in New York

14. The General Assembly, in section II, paragraph 2, of its resolution 52/216 of 22 December 1997, endorsed the recommendations of the Commission on refinements to and modification of the methodologies used in conducting surveys of best prevailing conditions of employment at Headquarters and at non-headquarters duty stations. During May 2000, the Commission conducted surveys of the best prevailing conditions of employment for staff in the General Service, Trades and Crafts, Security Service, Language Teacher and Public Information Assistant categories in New York. In accordance with the revised methodology, the results of the survey became effective as from 1 May 2000, the reference date for the surveys.

15. For the General Service category, the survey resulted in an increase of 2.92 per cent in the salaries of staff in this category, effective 1 May 2000. A 2.0 per cent increase had been due to the General Service and related categories as from 1 January 2000 in accordance with the annual interim adjustment procedure, which is based on 90 per cent of the consumer price index for the New York metropolitan area. However, implementation of the interim adjustment was postponed pending the result of the survey, in compliance with the established methodology. Therefore, the interim adjustment of 2.0 per cent was implemented retroactive to 1 January 2000 and the balance of 0.92 per cent indicated by the salary survey was applied as from 1 May 2000.

16. For the Security Service, the result of the survey yielded a 7.66 per cent increase in the salaries of staff in this category, effective 1 May 2000. The interim adjustment of 2.0 per cent, as applied to the General Service category, was implemented for this group of staff effective 1 January 2000, and the balance of 5.66 per cent was applied to their salaries as from 1 May 2000.

17. The survey for the Trades and Crafts category could not be completed in time for the Commission's session in view of the very limited number of employers responding. ICSC concluded that a valid salary comparison for the Trades and Crafts category was not possible and agreed that data collection should continue until a reasonable sample of employers had been surveyed to permit meaningful analysis of the data. The Commission further decided to delegate the authority to the Chairman of ICSC to review and to make decisions on the survey results for this category. Until that time, payment of the interim salary adjustment would remain pending for this group of staff.

18. With regard to the Language Teacher category, the Commission expressed concern regarding the comparability of job functions, curricula and related points of comparison between the comparator institutions used in the survey and the United Nations. Consequently, the Commission requested the United Nations to search for additional comparators and to submit its findings at its next session in the spring of 2001. The interim adjustment of 2.0 per cent, effective 1 January 2000, was implemented for this group of staff, in accordance with the normal adjustment procedure.

19. Because the salary survey conducted with respect to Public Information Assistants was not able to identify viable comparators in the New York area, the Commission, in line with past practice and in view of the continuing difficulties encountered in conducting a survey for this group of staff, decided to increase the salaries by the same percentage as was applied to salaries of staff in General Service category.

20. The amounts of the dependency allowances were recalculated in the context of the salary survey. The Commission has determined that, in view of the tax abatements provided under United States federal, state and local fiscal legislation, the dependency allowances for the General Service and related categories in New York should be revised.

21. The annual financial implications for the United Nations regular budget with regard to the approved surveys for the General Service, Security Service and Public Information Assistant categories, including the increase in the level of dependency allowances for all locally recruited staff in New York, have been estimated at $3,500,000. This amount would be taken into account in adjusting the existing inflation provisions in the regular budget in the context of the first performance report for the biennium 2000-2001.

IV. Conditions of service applicable to all categories of staff: level of the education grant

22. The General Assembly, in its resolution 52/216, section III.A, endorsed the recommendations of the Commission with respect to modifying the approved methodology for determining the level of the education grant.[4] Based on the established methodology, the Commission decided to recommend to the General Assembly that:

(a) In areas where education-related expenses were incurred in Belgian francs, Irish pounds, Italian lira, Swiss francs and United States dollars (in the United States), the levels of maximum admissible expenditures and maximum grant be set as follows:

Currency	*Maximum admissible expenditures*	*Maximum education grant*
Belgian franc	520 290	390 218
Irish pound	7 873	5 905
Italian lira	23 794 700	17 846 025
Swiss franc	24 372	18 279
United States dollar (in the United States)	23 445	17 584

(b) The flat rates for boarding to be taken into account within the maximum admissible educational expenses and the additional amounts for reimbursement of boarding costs over and above the maximum grant payable to staff members at designated duty stations be revised as shown below:

Currency	*Normal flat rate for boarding*	*Additional flat rate for boarding*[a]
Austrian schilling	43 622	65 433
Belgian franc	118 156	177 234
Danish krone	21 993	32 990
Deutsche mark	7 026	10 539
Finnish markka	13 251	19 877
French franc	16 402	24 603
Irish pound	1 893	2 840
Italian lira	4 953 749	7 430 624
Japanese yen	525 930	788 895
Netherlands guilder	6 985	10 478
Norwegian krone	17 499	26 249
Pound sterling	3 041	4 562
Spanish peseta	408 592	612 888
Swedish krona	20 945	31 418
Swiss franc	5 092	7 638
United States dollar (in the United States)	4 583	6 875
United States dollar (outside the United States)	3 373	5 060

[a] At designated duty stations.

(c) The amount of the special education grant for each disabled child should continue to be equal to 100 per cent of the revised total of maximum allowable expenses for the regular education grant;

(d) All the above measures would be applicable as from the school year in progress on 1 January 2001.

23. The total annual financial implication in respect of the increases has been estimated at approximately $1,046,000 for the United Nations common system. The annual financial implication for the United Nations regular budget has been estimated at approximately $282,400.

V. Conclusions and recommendations

24. The annual financial implications for the regular budget resulting from the decisions and recommendations of ICSC are summarized below (in United States dollars):

	United Nations common system	*United Nations*
Remuneration of staff in the Professional and higher categories		
For duty stations that would fall below the level of the new base/floor, as estimated by the Commission (paras. 4-6)	616 842	166 547
Mobility/hardship scheme (paras. 4-6)	3 485 784	941 162
Separation payments (paras. 4-6)	805 310	217 434
Dependency allowance (para. 13)	2 800 000	756 000
Survey of best prevailing conditions of employment for the General Service, Security Service and Public Information Assistant categories		
New York (para. 21)	7 000 000	3 500 000
Conditions of service applicable to all categories of staff		
Education grant (para. 23)	1 046 000	282 420
Total	**15 753 936**	**5 863 563**

25. The impact of the recommendations calculated on the basis of actual dates of implementation would result in increased requirements in the amount of $5,736,846, broken down as follows (in United States dollars):

Remuneration of staff in the Professional and higher categories	
For duty stations that would fall below the level of the new base/floor (10 months, 1 March to 31 December 2001)	138 789
Mobility/hardship scheme (10 months, 1 March to 31 December 2001)	784 302
Separation payments (10 months, 1 March to 31 December 2001)	181 195
Dependency allowances (12 months, 1 January to 31 December 2001)	756 000
Survey of best prevailing conditions of employment for the General Service, Security Service and Public Information Assistant categories	
New York (12 months, 1 January to 31 December 2001)	3 500 000
Conditions of service applicable to all categories of staff	
Education grant	
4 months, 1 September to 31 December 2000	94 140
12 months, 1 January to 31 December 2001	282 420
Total	**5 736 846**

26. **Accordingly, the related requirements under the regular budget resulting from the recommendations and decisions of ICSC have been estimated to be on the order of $5,736,846, net of staff assessment. Those requirements will be taken into consideration when computing the first performance report for the biennium 2000-2001.**

Notes

[1] *Official Records of the General Assembly, Fifty-fifth Session, Supplement No. 30* (A/55/30).

[2] Ibid., *Forty-fourth Session, Supplement No. 30* (A/44/30), vol. II, paras. 118, 119, 316 and 453 (g).

[3] Ibid., *Forty-seventh Session, Supplement No. 30 and corrigendum* (A/47/30 and Corr.1), para. 190.

[4] Ibid., para. 251 and annex VII.